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JS Global Lifestyle Company Limited

JS 环球生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1691)

**CONTINUING CONNECTED TRANSACTIONS
(1) PRODUCT DEVELOPMENT AGREEMENT AND
(2) MODEL ENGINEERING AND
QUALITY CONTROL SERVICE AGREEMENT**

(1) PRODUCT DEVELOPMENT AGREEMENT

References are made to the announcements of the Company dated July 31, 2023 and April 5, 2024 in relation to, among others, the Product Development Agreement, the transactions contemplated thereunder and the proposed annual caps for the three years ending December 31, 2025.

Revision of the Product Development Agreement

On October 30, 2024, SharkNinja Europe and JS Global Trading entered into an amendment to the Product Development Agreement (the “**2024 October Amendments of PDA**”) to revise the service fees and payment terms of the service fees and tooling costs arrangement under the Product Development Agreement.

Listing Rules Implications

As of the date of the announcement, SharkNinja Europe is wholly owned by SharkNinja, which is owned as to over 40% by JS&W, which is owned by the controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom is an executive Director). Pursuant to Chapter 14A of the Listing Rules, SharkNinja Europe is a connected person of the Company. Accordingly, the Product Development Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the revised annual cap for the year ending December 31, 2025 and the proposed annual cap for the year ending December 31, 2026 of the Product Development Agreement would be more than 0.1% but less than 5%, the transactions contemplated under the Product Development Agreement are subject to the applicable reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) MODEL ENGINEERING AND QUALITY CONTROL SERVICE AGREEMENT

The Board announces that on October 30, 2024 (New York time)/October 30, 2024 (Hong Kong time), Joyoung Household Appliances and SharkNinja Europe entered into the Model Engineering and Quality Control Service Agreement, pursuant to which Joyoung Household Appliances shall, if and for so long as SharkNinja Europe may require, provide model engineering and quality control services for the benefit of SharkNinja Europe including refining and enhancing design of products, conducting technical parameters testing and providing re-design engineering services, technical advisory and technical support services.

Listing Rules Implications

As of the date of the announcement, SharkNinja Europe is wholly owned by SharkNinja, which is owned as to over 40% by JS&W, which is owned by the controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom is an executive Director). Pursuant to Chapter 14A of the Listing Rules, SharkNinja Europe is a connected person of the Company. Accordingly, the Model Engineering and Quality Control Service Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the proposed annual cap for the year ending December 31, 2024 of the Model Engineering and Quality Control Service Agreement would be more than 0.1% but less than 5%, the transactions contemplated under the Model Engineering and Quality Control Service Agreement are subject to the applicable reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(1) **PRODUCT DEVELOPMENT AGREEMENT**

References are made to the announcements of the Company dated July 31, 2023 and April 5, 2024 in relation to, among others, the Product Development Agreement, the transactions contemplated thereunder and the proposed annual caps for the three years ending December 31, 2025.

Revision of the Product Development Agreement

On October 30, 2024, SharkNinja Europe and JS Global Trading entered into an amendment to the Product Development Agreement (the “**2024 October Amendments of PDA**”) to revise the service fees and payment terms of the service fees and tooling costs arrangement under the Product Development Agreement.

Pricing Policies

The service fees to be charged by the SharkNinja Group to the Group under the Product Development Agreement shall be determined between the Group and the SharkNinja Group on normal commercial terms after arm’s length negotiations on a cost-plus basis, taking into consideration the number of products to be developed by the SharkNinja Group, the cost to be borne by the development personnel of the SharkNinja Group with a reasonable profit margin and the prevailing market rate for providing similar services by the SharkNinja Group.

Historical Amount

**For the
year ended
December 31,
2023**
(US\$ million)

Transaction amount	0.4
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From January 1, 2024 to September 30, 2024, the transaction amount under the Product Development Agreement was US\$1.5 million, which was within the existing annual cap under the Product Development Agreement of US\$2.0 million for the year ending December 31, 2024.

Revision of Annual Cap and Proposed Annual Cap

As a result of the 2024 October Amendments of PDA, the existing annual cap under the Product Development Agreement for the year ending December 31, 2025 is revised as follows:

	For the year ending December 31, 2025 (US\$ million)
Existing Annual Cap	2.0
Revised Annual Cap	6.75

The proposed annual cap for the Product Development Agreement for the year ending December 31, 2026 is US\$8.4 million.

The annual cap for each of the two years ending December 31, 2026 for the Product Development Agreement are principally determined based on:

- (i) the historical transaction amount under the Product Development Agreement;
- (ii) the accelerated growth in existing markets of Japan, Australia and New Zealand, Korea, etc. and the desire to enter more APAC markets such as Philippines, Thailand and Indonesia would need extended product development support, comparing to prior year estimation, from SharkNinja Group, which extended support includes expansion in various categories of the SharkNinja brands of products tailor-made or modified by SharkNinja and higher volumes of validation and compliance testing for customized products; and
- (iii) the estimated increase of costs to hire designated product development engineers in the SharkNinja Group to support the growth in the APAC markets.

The Group expects that there would be expanded categories of SN brands of products tailor-made by the SharkNinja Group to be launched in the APAC markets and new products in existing categories would be introduced in 2025, leading to an expected increase in SKU count from the year ending December 31, 2024. As a result, it is expected that the sales amount and the estimated cost to be borne by the development personnel of the SharkNinja Group for the provision of products and services by the SharkNinja Group would be higher for the year ending December 31, 2025, as compared with that for the year ending December 31, 2024.

The Company will comply with applicable reporting, announcement, circular and independent shareholders' approval requirements (if applicable) under Chapter 14A of the Listing Rules when the Product Development Agreement is renewed, or if the arrangements under the Product Development Agreement are revised.

Listing Rules Implications

As of the date of the announcement, SharkNinja Europe is wholly owned by SharkNinja, which is owned as to over 40% by JS&W, which is owned by the controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom is an executive Director). Pursuant to Chapter 14A of the Listing Rules, SharkNinja Europe is a connected person of the Company. Accordingly, the Product Development Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the revised annual cap for the year ending December 31, 2025 and the proposed annual cap for the year ending December 31, 2026 of the Product Development Agreement would be more than 0.1% but less than 5%, the transactions contemplated under the Product Development Agreement are subject to the applicable reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reasons for and Benefits of the Product Development Agreement

Prior to the completion of the Spin-off, SharkNinja Group has accumulated experience in manufacturing, sales and marketing SN brands of products in the Asia Pacific Region and Greater China markets. The Product Development Agreement enables the Group to leverage the SharkNinja Group's extensive experience in the development of similar SN brand of products for the purpose of developing market tailored SN brand of products for Asia Pacific Region and Greater China markets.

The 2024 October Amendments of PDA were made in relation to the service fees and payment terms under the Product Development Agreement. The Board is of the view that the 2024 October Amendments of PDA would help to expand the product lines in APAC regions to meet varied consumer needs in different countries and regions.

(2) MODEL ENGINEERING AND QUALITY CONTROL SERVICE AGREEMENT

Date

October 30, 2024 (New York time)/October 30, 2024 (Hong Kong time)

Parties

- (1) Joyoung Household Appliances (as service provider); and
- (2) SharkNinja Europe (as service recipient)

Subject Matter

Pursuant to the Model Engineering and Quality Control Service Agreement, Joyoung Household Appliances shall, if and for so long as SharkNinja Europe may require, provide model engineering and quality control services for the benefit of SharkNinja Europe including refining and enhancing design of products, conducting technical parameters testing and providing re-design engineering services, technical advisory and technical support services (“**Model Engineering and Quality Control Services**”).

Term

The initial term of the Model Engineering and Quality Control Service Agreement is from October 30, 2024 to December 31, 2024, subject to renewal upon mutual consent of both parties.

Pricing Policies

The service fees for the Model Engineering and Quality Control Services charged by Joyoung Household Appliances to SharkNinja Europe under the Model Engineering and Quality Control Service Agreement shall be determined by between the Group and the SharkNinja Group on normal commercial terms after arm’s length negotiations on a cost-plus basis, taking into consideration the volume of services provided, the cost and expenses for Joyoung Household Appliances in providing the Model Engineering and Quality Control Services with a reasonable profit margin and the prevailing market rate for providing similar services by Joyoung Household Appliances.

Historical Amount

The Company did not incur historical amount under the Model Engineering and Quality Control Service Agreement.

Proposed Annual Cap

**For the
year ending
December 31,
2024**
(RMB million)

Annual Cap 24.0

The proposed annual caps for the Model Engineering and Quality Control Service Agreement are principally determined based on a comprehensive assessment of various cost components associated with the services provided under the Model Engineering and Quality Control Services Agreement.

These components include, but are not limited to, (i) labor costs, which encompass the hourly rates and total hours worked by personnel involved in the Model Engineering and Quality Control Services; (ii) material costs, which cover all consumables and supplies to be used for provision of the Model Engineering and Quality Control Services; (iii) tool and equipment costs, which consist the usage and depreciation of tools and equipment necessary for provision of the Model Engineering and Quality Control Services; (iv) miscellaneous expenses, which consist any indirect costs such as utilities, administrative expenses, and other overheads.

The total of the said costs is subject to a markup of 10% which is determined by the parties after arm's length negotiations, taking into account, among other things, the cost and profitability of the transactions.

Listing Rules Implications

As of the date of the announcement, SharkNinja Europe is wholly owned by SharkNinja, which is owned as to over 40% by JS&W, which is owned by the controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom is an executive Director). Pursuant to Chapter 14A of the Listing Rules, SharkNinja Europe is a connected person of the Company. Accordingly, the Model Engineering and Quality Control Service Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the proposed annual cap for the year ending December 31, 2024 of the Model Engineering and Quality Control Service Agreement would be more than 0.1% but less than 5%, the transactions contemplated under the Model Engineering and Quality Control Service Agreement are subject to the applicable reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reasons for and Benefits of the Model Engineering and Quality Control Service Agreement

The collaboration of SharkNinja Europe and Joyoung Household Appliances aims to significantly improve the operational efficiency and profitability of both companies through shared expertise and resources. The Model Engineering and Quality Control Service Agreement allows Joyoung Household Appliances to extend its influence and business operations in the European market by providing Model Engineering and Quality Control Services to SharkNinja Europe, thereby increasing its international brand recognition. The service fees under the Model Engineering and Quality Control Service Agreement provide Joyoung Household Appliances with a stable and profitable revenue source, contributing to the Group's financial stability and growth.

DIRECTORS' CONFIRMATION

Considering that SharkNinja Europe is wholly owned by SharkNinja, which is owned as to over 40% by JS&W, which is in turn owned by certain of our controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom is an executive Director), each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling has abstained from voting at the Board resolutions for considering and approving the Product Development Agreement and the Model Engineering and Quality Control Service Agreement, the transactions contemplated thereunder and the proposed annual caps.

Save as disclosed above, none of the Directors has any material interests in the transactions or is required to abstain from voting on the Board resolutions for considering and approving the transactions.

The Directors, including the independent non-executive Directors, consider that the proposed annual caps and the continuing connected transactions under the Product Development Agreement and the Model Engineering and Quality Control Service Agreement have been conducted in the ordinary and usual course of business of the Group, are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

The Company has adopted the following internal control measures to ensure that the transactions contemplated under the above continuing connected transactions are on normal commercial terms and in the interests of the Company and the Shareholders as a whole:

1. the Company has adopted and implemented a management system on connected transactions. Under such system, the audit committee is responsible for conducting reviews on compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the connected transactions. In addition, the audit committee, the Board and various other internal departments of the Company (including but not limited to the finance department and compliance and legal department) are jointly

responsible for evaluating the terms under the framework agreements for connected transactions, in particular, with respect to the fairness of the pricing policies and annual cap under each agreement;

2. the audit committee, the Board and various other internal departments of the Company also regularly monitor the fulfillment status and the transaction updates under the agreements. In addition, the management of the Company also regularly reviews the pricing policies of the agreements;
3. the Company's independent non-executive Directors and auditors will conduct annual reviews of the continuing connected transactions under the framework agreements and provide annual confirmations to ensure that, pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies;
4. when considering fees for the products and services to be charged by the Group to the connected persons or by the connected persons to the Group, the Group will constantly research prevailing market conditions and practices and make reference to the pricing and terms between the Group and independent third parties for similar transactions, to ensure that the pricing and terms offered by the connected persons from mutual commercial negotiations (as the case may be) are fair, reasonable and are no less favorable than those to be offered by independent third parties; and
5. when considering any renewal or revisions to the framework agreements, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings or Shareholders' general meetings (as the case may be), and the independent non-executive Directors and independent Shareholders have the right to consider if the terms of the non-exempt continuing connected transactions (including the proposed annual cap) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. If the independent non-executive Directors' or independent Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transactions under the Listing Rules.

INFORMATION OF THE PARTIES

Information of the Company

The Company is incorporated in the Cayman Islands with limited liability, principally engaged in the provision of small household appliances.

Information of SharkNinja

SharkNinja Europe is a wholly-owned subsidiary of SharkNinja. The SharkNinja Group, taken as a whole, is a global product design and technology company that creates 5-star rated lifestyle solutions through innovative products for consumers around the world. SharkNinja was listed on New York Stock Exchange on July 31, 2023 (ticker: SN). The SharkNinja Group is engaged in sales of SN brands of products in North America, Europe and other international markets.

To the best of the Company's knowledge, Mr. Wang Xuning, an executive Director, controls over 40% shareholding of SharkNinja as of the date of this announcement.

Information of JS Global Trading

JS Global Trading is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong. It is principally engaged in supply chain management and consultancy of home appliance products.

Information of Joyoung Household Appliances

Joyoung Household Appliances is an indirect non-wholly owned subsidiary of the Company established in the PRC with limited liability. It is principally engaged in the development and manufacturing of small household appliances.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Asia Pacific Region” or “APAC”	includes but not limited to Australia, India, Indonesia, Japan, Republic of Korea, New Zealand, Singapore, Thailand, Vietnam and other countries of Association of Southeast Asian Nations
“Board”	the board of Directors
“Company”	JS Global Lifestyle Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“continuing connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Greater China”	includes Mainland China, Hong Kong, the Macau Special Administrative Region and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joyoung Household Appliances”	Hangzhou Joyoung Household Electric Appliances Limited (杭州九陽小家電有限公司), an indirect non-wholly owned of the Company established in the PRC with limited liability
“JS Global Trading”	JS Global Trading HK Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“JS&W”	JS&W Global Holding Limited Partnership, an exempted limited partnership registered under the laws of Cayman Islands
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Engineering and Quality Control Service Agreement”	the model engineering and quality control service statement of work dated October 30, 2024 and entered into between Joyoung Household Appliances and SharkNinja Europe
“PRC”	the People’s Republic of China
“Product Development Agreement”	the product development agreement dated July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time) and entered into between SharkNinja Europe and JS Global Trading (as amended, supplemented or otherwise modified from time to time)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company

“SharkNinja”	SharkNinja, Inc., an exempted limited liability company incorporated in the Cayman Islands and the demerger entity in the Spin-off, which is listed on the New York Stock Exchange (ticker: SN)
“SharkNinja Europe”	SharkNinja Europe Ltd, a private limited company incorporated under the laws of England and Wales
“SharkNinja Group”	SharkNinja and its subsidiaries
“SKU”	stock-keeping unit
“Spin-off”	the separate listing of the shares of SharkNinja on the New York Stock Exchange on July 31, 2023
“U.S.”	the United States of America
“US\$”	U.S. dollar(s), the lawful currency of the U.S.

By Order of the Board
JS Global Lifestyle Company Limited
WANG Xuning
Chairman

Hong Kong, October 30, 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. WANG Xuning, Ms. HAN Run and Ms. HUANG Shuling as executive directors, Mr. Stassi Anastas ANASTASSOV as non-executive director and Mr. Yuan DING, Mr. YANG Xianxiang, Mr. SUN Zhe and Mr. Maximilian Walter CONZE as independent non-executive directors.